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New York Community Trust

Opinions as to the merits and possibilities of the...

[New York]

[1921]

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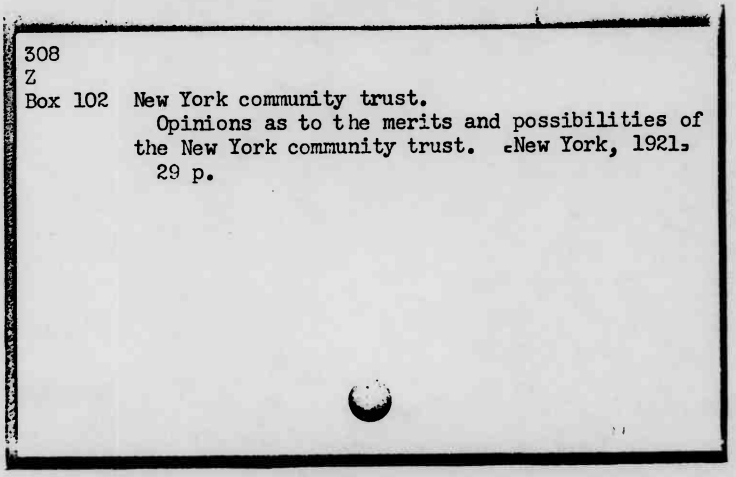
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Box 102

OPINIONS

AS TO THE

MERITS AND POSSIBILITIES

OF

THE NEW YORK COMMUNITY TRUST

The New York Community Trust

Created for the Encouragement and Promotion of Gifts for Charitable, Benevolent or Educational Uses

THE advantages of the Community Trust plan to the community, to the donors and to the charities and philanthropies themselves may be briefly summarized as follows:

1—The ability of the Trust, through its broad powers, to transfer to live charities without unreasonable delay and expense funds left to an originally worthy but later obsolete philanthropy.

2—The opportunity afforded for the maintenance of some broad charity in which the donor is interested, while at the same time granting great flexibility in the meeting of unforeseen future contingencies.

3—The creation of a general community fund made up of unrestricted gifts from men of small means as well as from men of large means—this fund to be distributed by a committee representing the community and thinking and acting from the standpoint of the community as a whole.

4—The preservation of the principal and the proper investment of the funds bequeathed by charitable donors through the security of qualified institutions acting as Trustees.

5—The possibilities for the prompt correction of under or over-endowment of memorial and similar gifts and for securing adequate endowments for worthy charities by reason of the confidence engendered in the minds of donors.

6—The facilities afforded for establishing an experimental charity in a safe and convenient way, without jeopardizing the endowment.

7—The education of the public against eccentricity and impracticability in the making of wills, by giving publicity to the failure of such cases to fulfill the wishes of the donor.

Information regarding the Trust will be furnished by any of the Trustees or the Director.

THE NEW YORK COMMUNITY TRUST

TRUSTEES

The Equitable Trust Company of New York
Columbia Trust Company
The New York Trust Company
United States Mortgage & Trust Company
Metropolitan Trust Company
Title Guarantee & Trust Company
Manufacturers Trust Company
Kings County Trust Company
Lawyers Title & Trust Company
Mercantile Trust Company
Fidelity-International Trust Company
American Trust Company
Hamilton Trust Company
The Commercial Trust Company of New York
Hudson Trust Company
Irving National Bank
The American Exchange National Bank
Harriman National Bank
The Bank of America

FRANK J. PARSONS
Director
55 Cedar St., New York

ALVIN W. KRECH, Chairman
Trustees' Committee
37 Wall St., New York

FOREWORD

For some months prior to the formation of The New York Community Trust the general idea was discussed at a series of noonday conferences, attended by men and women of prominence in various walks of life—merchants, attorneys, public officials, bankers, social workers and others.

The Resolution and Declaration creating the Trust as finally adopted was therefore the result of the meeting of many minds.

While based primarily on the plan of the Cleveland Foundation in Cleveland, Ohio, the Trust organized here differs in two important particulars, viz.: Provision for multiple trusteeships and a Distribution Committee of eleven instead of five.

On the following pages will be found a few letters from some of the friends who have interested themselves in this movement from the beginning.

From
MR. OTTO T. BANNARD

December 8, 1920.

MR. FRANK J. PARSONS, Acting Director,
The New York Community Trust,
55 Cedar Street, New York.

Dear Mr. Parsons:

This Community Fund has a large field of usefulness when its purposes are realized.

1. It is a popular idea that every one knows what charitable, philanthropic and educational institution he wishes to leave his money to by trust or will or gift. The fact is that many do not, and would be glad of the services of such a broad representative, public-spirited and disinterested distributing committee as is constituted in this Trust.

2. Those who make their own selections of beneficiaries should realize how many institutions wither, dry up, merge, are absorbed and practically disappear with changes in population, changes in conditions and changes in management; so that when the testator dies, many years after making his will, his executors are led into years of litigation and perplexity, over a bequest to some defunct or semi-defunct charity.

Most new ideas of value come out of the west, and this plan has proved itself in several large western cities. I can earnestly recommend this *elastic* trust. It retains all the safety of existing trusts, both in investments and administration, and offers the opportunity of a much needed flexibility in what might be called "futures" for benefactions.

Some day New York City will use it freely and express its approval.

A word to the wise ought to be sufficient.

Yours sincerely,

(Signed) OTTO T. BANNARD.

From
ROYAL S. COPELAND, M. D.
Commissioner, Department of Health of the City of N. Y.

October 19, 1920.

Mr. Frank J. Parsons, Acting Director,
The New York Community Trust,
55 Cedar Street, City.

My dear Mr. Parsons:

There is no appeal that means so much to the average citizen as a request to do something for a hospital. If one were seeking to build a church or a court house or a public bath or a recreation pier it would be an occasional citizen only who would cheerfully contribute. Many refusals would be met, but when it comes to a hospital everybody wishes to do his part.

Then the question arises as to whether or not the money given is going to be well expended. We hear so much about the poor conduct of this hospital or that hospital that the benevolent person hesitates to give liberally because of the doubts in his own mind as to the ultimate use of the money.

It is my opinion that New York needs a "Community Trust," an institution dedicated to the study of the charitable, benevolent and educational demands of the community, and prepared to administer contributions to the best advantage of the beneficiaries. It is my view that the deserving charities of the city will benefit amazingly by the work of such an institution. I gladly endorse the plan and believe it will make for the perpetuity of every charity worthy of long life and prosperity.

Very truly yours,

(Signed) ROYAL S. COPELAND, M. D.,
Commissioner.

From
MR. MORGAN J. O'BRIEN
of O'Brien, Boardman, Parker & Fox, Attorneys
Director, Metropolitan Life Insurance Co.
Metropolitan Bank; American Trust Co.

New York, November 22, 1920.

Mr. Frank J. Parsons, Acting Director,
The New York Community Trust,
55 Cedar Street, New York City.

My dear Mr. Parsons:

I have followed with real interest the organization of THE NEW YORK COMMUNITY TRUST.

Having had considerable experience with trusts, concur heartily in the statement that the history of charitable, benevolent and educational movements has demonstrated that, under changing conditions of modern life what is adapted to one period outlives its usefulness in another.

Heretofore there has been no satisfactory machinery for diverting funds from obsolete purposes into those alive and worthy. The aim of the New York Community Trust is to provide flexibile administration of funds, so that they may be devoted to the needs of the future as well as the present, and to encourage gifts, bequests and trusts for the benefit of the community, the income of which shall be used to maximum advantage.

Now all those who desire, either by will or trust deed, to make provision for objects that are educational, charitable or benevolent, with certainty as to their business management and absolute safety as to principal, should avail themselves of this admirable means for carrying out their wishes.

I know that your organization will succeed and fill a useful and increasingly important place in the affairs of the community.

With all good wishes, I am

Yours sincerely,

(Signed) MORGAN J. O'BRIEN.

From
MISS LILLIAN D. WALD
Of the Henry Street Settlement

October 1st, 1920.

Dear Mr. Parsons:

I am very much interested in your plan for securing expert and current knowledge of the community needs and establishing a statesmanlike program for carrying out the will and wishes of the philanthropic citizens. It seems to me that the plan of The New York Community Trust, as outlined in your statement, makes admirable provision for at least two essential things: First, the plan will doubtless attract both large and small givers because of the security guaranteed by expert investors of the money entrusted to them; second, because the money will be alive and active to the end of time. The needs of a community change as the social order changes, and modern methods are essential to meet modern problems. That in your plan you provide for publicity of appropriations and for new blood from time to time are important elements in your program. The whole plan indicates present understanding and insight into future requirements.

Very sincerely yours,

(Signed) LILLIAN D. WALD.

Mr. Frank J. Parsons, Acting Director,
The New York Community Trust,
55 Cedar Street,
New York City.

From
MR. ALFRED E. MARLING
President Horace S. Ely & Co.
Trustee The Mutual Life Insurance Company

November 22, 1920.

Mr. Frank J. Parsons, Acting Director,
The New York Community Trust,
55 Cedar Street,
New York City.

The plans of The New York Community Trust commend themselves to me because:

1. They will promote gifts for benevolent and educational purposes.

2. They will keep such gifts responsive to the needs of the generation in which the income is distributed. There will be no "dead-hand" control. They will furnish intelligent, sympathetic, live interest.

3. The Distribution Committee, through whom the income is apportioned, will be men of large affairs, with knowledge of the needs of the community, and who can be depended upon to bring to their duties the enlightened interest which they so much demand.

4. The whole plan seems to me to be a combination of "good business" and "good and intelligent benevolence."

Sincerely yours,

(Signed) ALFRED E. MARLING.

From
JUDGE HENRY G. WARD
Of the United States Circuit Court of Appeals

December 3, 1920.

Mr. Frank J. Parsons, Acting Director,
The New York Community Trust,
55 Cedar Street,
New York City.

My dear Mr. Parsons:

The New York Community Trust impresses me as an organization likely to prove of great public value because it will be a means of effectuating the benevolence of persons who are without any particular views of their own as to exercising their benevolent disposition. I hope that it will be largely resorted to.

Faithfully yours,

(Signed) H. G. WARD.

From
MR. MORTIMER L. SCHIFF

New York, November 22nd, 1920.

Dear Mr. Parsons:

The possibilities underlying The New York Community Trust plan seem to me to be very great and far-reaching. The most important provision is the arrangement insuring the continuing usefulness of charitable gifts.

An individual during his lifetime contributes to charities only so long as the character of the work undertaken and the results obtained commend themselves to his heart and to his judgment. The Community Trust, through its representative Committee of Distribution, is in position to carry out the wishes of the individual after he has gone, by seeing to it, under changing social conditions and needs, that his benefactions continue to be employed in wise and useful channels.

The New York Community Trust should thus become of increasing importance and influence as the years go on.

Sincerely yours,

(Signed) MORTIMER L. SCHIFF.

Frank J. Parsons, Esq., Acting Director,
The New York Community Trust,
55 Cedar Street,
New York City.

From
MR. R. FULTON CUTTING
Director The American Exchange National Bank
Chairman of the Board, City and Suburban Homes Co.

November 19th, 1920.

Mr. Frank J. Parsons, Acting Director,
The New York Community Trust,
55 Cedar Street.

Dear Mr. Parsons:

I heartily approve of The New York Community Trust. I confidently believe it will stimulate the making of bequests for beneficent purposes and will assure to the beneficiaries the wisest application of the testator's generosity. It does not conflict with individual preference for specific philanthropy and it must inure to promote the efficiency of institutions who may desire to qualify for participation in the distribution of funds at the disposal of the Trustees.

Sincerely yours,

(Signed) R. FULTON CUTTING.

From
MR. HERBERT F. GUNNISON
Publisher, The Brooklyn Daily Eagle
Trustee, The Williamsburgh Savings Bank

Brooklyn, N. Y., November 22, 1920.

Mr. Frank J. Parsons, Acting Director,
The New York Community Trust,
55 Cedar Street,
New York City.

Dear Mr. Parsons:

It is surprising the number of "fool" bequests. I have in mind a case where the money left to a hospital for a specific purpose could not possibly be used. Many people—those often who make wills in haste—leave money for charitable, benevolent and educational purposes who have no conception of the actual needs and scope of the beneficiary institutions.

There are organizations today which have fulfilled their missions and would go out of existence were it not for endowments which cannot be transferred.

The New York Community Trust can become a much-needed agency to serve all interests, those who give and those who receive. In handling properly and conservatively invested funds the Community Trust would justify its formation. The allocation of bequests where they best can serve the public, and in no way to contravene the intention of the donor, is sound and practical.

But, to my mind one of the largest benefits from the operation of the Community Trust will be the increase in the number of gifts by the charitably disposed. When people know that their bequests are to be wisely, efficiently and economically administered they will be more generous in the disposal of their fortunes.

Very truly yours,

(Signed) HERBERT F. GUNNISON,

From
PROFESSOR EDWIN R. A. SELIGMAN
Of Columbia University

December 6, 1920.

Mr. Frank J. Parsons, Acting Director,
The New York Community Trust,
55 Cedar Street,
New York.

My dear Mr. Parsons:

I have to thank you for your letter of November 30th, together with enclosures. I have looked through these with some care and much interest, and consider the plan an admirable one. It ought to be of great service, both now and in the future.

With kind regards,

Faithfully yours,

(Signed) EDWIN R. A. SELIGMAN.

From
MR. DARWIN P. KINGSLEY
President Chamber of Commerce of the State of New York
President The New York Life Insurance Company

December 10, 1920.

My dear Mr. Parsons:—

Two objections to current method of creating and handling trusts are:

The brevity of the lives of Trustees, where individuals are named as Trustees, and the uncertain character of their successors;

Changes in social conditions which, after long periods, leave Trustees with funds to be applied to no worthy purpose.

The New York Community Trust meets both these objections.

The Plan is excellent. It will encourage intelligent beneficence.

Yours truly,

(Signed) DARWIN P. KINGSLEY.

Mr. Frank J. Parsons, Acting Director,
The New York Community Trust,
55 Cedar Street,
New York, N. Y.

From
MR. CLARENCE H. KELSEY
President of the Title Guarantee and Trust Company

December 6, 1920.

Mr. Frank J. Parsons, Acting Director,
The New York Community Trust,
55 Cedar Street, N. Y.

My dear Mr. Parsons:

You have asked my opinion of the plan of The New York Community Trust. In my judgment, the importance of it can hardly be over estimated.

It provides for keeping securely and investing wisely the trust funds.

It provides for devoting the income to the purposes named by the donor and, with his consent, for transferring it to other uses when those originally selected have become obsolete or unworthy.

It provides for using in the best way large gifts which the donor may prefer to have elastic in their application or worked out in their usefulness with the help of those experienced in the fields selected.

It provides for receiving small gifts which otherwise it might not be thought worth while to make, and consolidating the income from a great number of them so as to enable each one, however small, to have a part in a great service.

It enables the smallest giver to have a part in a "Rockefeller Foundation" of his own.

It should be the means of greatly encouraging gifts for benevolent purposes from those who recognize the duty and the pleasure of aiding their fellow men. Gifts should be attracted both from the very wealthy and those of small means. All generous people can thus have the aid of experience in every line of philanthropy and perfect machinery in the carrying out of their purposes, relieving them from anxiety or trouble over their accomplishment. It should greatly increase the care and wisdom with which existing organizations which might qualify as beneficiaries, will be conducted. It would make it indispensable for them to justify their usefulness to the satisfaction of the Distribution Committee.

The New York Community Trust puts at the service of this community a plan which I am sure will, in the years to come, develop into a great agency for the promotion of its welfare.

Very truly yours,

(Signed) CLARENCE H. KELSEY.

From
MR. CHARLES H. JOHNSON
Secretary of State Board of Charities of the State of New York

Albany, N. Y., November 22, 1920.

Mr. Frank J. Parsons, Acting Director,
The New York Community Trust,
55 Cedar Street,
New York City.

My dear Mr. Parsons:

I am very much interested in the organization of The New York Community Trust because I believe it is one of the few movements of which it may truthfully be said that it meets a need long recognized in the community. The possibilities for usefulness of such an organization are many and important.

As an adviser to individuals who are planning to make bequests for philanthropic or other community purposes, the Trust with extensive information in its possession concerning such movements and organizations would be of considerable assistance. The average citizen can know but a small part of the field of any subject. In addition, in this country perhaps more than in any other, there is a constant change in social conditions. No one can forecast with certainty what the community requirements will be a few years hence. The fact that a bequest will continue to function in some form useful to the community in spite of changing conditions, must be a source of satisfaction to the donor. In the field of charity there are many striking examples of gifts which cannot be utilized because of specifications that are impossible of fulfillment. Gifts that seemed timely have become obsolete and the grip of the dead hand has paralyzed funds that should be applied to useful purposes. For these reasons it would seem that the Community Trust could render great service in making available through succeeding generations the funds which generous citizens desire to give for the benefit of their own community or some special field in which they have had an interest during their lifetime.

Very truly yours,
(Signed) CHARLES H. JOHNSON,
Secretary.

From
MR. GEORGE GORDON BATTLE

Mr. Frank J. Parsons, Acting Director,
The New York Community Trust,
55 Cedar Street,
New York City.

Dear Sir:

The New York Community Trust will serve a very useful purpose. It will be a very great aid in effectually carrying out the plans of those persons who wish to make gifts or bequests for charitable, benevolent or educational uses. The formation of The New York Community Trust will insure an entirely reliable and economical method of conducting this business. And, in addition, the spirit of the Trust will be in accordance with that of the donor or testator, and this will insure the carrying out of the trusts, not only in a business-like way, but also in a generous manner.

I wish you all success, and beg to remain,

Faithfully yours,

(Signed) GEO. GORDON BATTLE.

From
MR. WILLARD V. KING
President of Columbia Trust Company

December 20, 1920.

Mr. Frank J. Parsons, Acting Director,
The New York Community Trust,
55 Cedar Street,
New York City.

Dear Mr. Parsons:

I am glad to add my word of commendation of the plan and purpose of The New York Community Trust, although the fact that the Columbia Trust Company has agreed to act as one of the Trustees under the plan is perhaps sufficient evidence of my approval.

The method of appointment of the committee of distribution is an assurance that, so far as can be humanly arranged in advance, it will be composed of men and women of high standing and ability, and the financial strength of the trustees needs no emphasis from me. I believe that many persons will take advantage of this opportunity to make gifts or bequests for charitable purposes in the confidence that their benevolence will be wisely administered in perpetuity.

Faithfully yours,

(Signed) WILLARD V. KING,
President.

From
MR. LEWIS L. CLARKE
President The American Exchange National Bank

December 7, 1920.

Mr. Frank J. Parsons, Acting Director,
The New York Community Trust,
55 Cedar Street,
New York City.

Dear Mr. Parsons:

The New York Community Trust, whose primary object is the encouragement of gifts, bequests and trusts for the benefit of the community comprising the City of New York and its vicinity undoubtedly fills a long felt want. It provides a central organization through which those who are interested in improving the condition of the people of this city may cooperate in making their gifts for that purpose. Whether these gifts are large or small the benefits derived from them, if administered through one organization, will be much greater than if each one was made for a different purpose.

A stronger community spirit will doubtless be developed through this opportunity afforded to our people to make gifts and bequests for the benefit of the whole community through the medium of such a responsible organization as the New York Community Trust.

The other great object of The Community Trust whereby gifts and bequests may be kept in use for live and deserving charities instead of falling into the hands of inefficient or moribund ones will prove attractive to every person who intends making bequests or gifts which are to continue after his death, as he must realize how frequently the donees of these gifts, in a comparatively short time, lose their vitality. He can be certain that his intention will be carried out even though the particular donee of his gift is no longer deserving.

Every year should make The New York Community Trust stronger and more useful.

Sincerely yours,

(Signed) LEWIS L. CLARKE,
President.

From
MRS. FLORENCE KELLEY
General Secretary of the National Consumers' League

September 22nd, 1920.

Mr. Frank J. Parsons, Acting Director,
The New York Community Trust,
55 Cedar Street,
New York.

My dear Mr. Parsons:

I have read with keen interest the prospectus of The New York Community Trust and I am impressed by the great value which it promises for future beneficiaries of public spirited citizens of New York.

Two points in particular attract my attention; first, the flexibility in administration which is provided for by the change each year of two members, and second, the unique and incalculably valuable publicity. What The New York Community Trust thus voluntarily offers will, with the passage of the years, be required by law of all trusts, foundations and other corporate bodies engaged in the distribution of moneys left by bequest. In both these respects, as well as in the original generous idea and the practical enlargement of the number of trustees, the Trust appears to me to be laying a foundation of such wisdom that other cities will soon be copying it, to their lasting benefit.

As General Secretary of the National Consumers' League, I am naturally especially impressed by the inclusive nature of the aims of the Trust, and by the uses and purposes suggested.

Yours sincerely,

(Signed) FLORENCE KELLEY,
General Secretary.

From
MR. ERNST C. MEYER
Of the International Health Board

October 1, 1920.

Mr. Frank J. Parsons, Acting Director,
The New York Community Trust,
55 Cedar Street,
New York City.

My dear Mr. Parsons:

The New York Community Trust would seem to serve its purpose splendidly. I cannot help but feel that in a generation or two hence the movement, so quietly begun at this time, will have proven itself to be one of the great creations of the present day in the field of philanthropy. It should accomplish for benefaction in general what the Rockefeller Foundation is accomplishing for the specific benefaction of its founder.

Charity is precious and its waste quite sinful. Yet waste is one of the common faults of modern charity effort. Misguided and ill-advised giving will decrease with the growth of The New York Community Trust.

It has been my privilege for some years to assist in evaluating effort in public health administration and, to a degree, in private philanthropy—to seek to determine how the dollar may do most good in promoting the well-being of mankind. My broad reaction to these researches has been one of profound grief over what seems to be misspent effort and money.

I say this in complete humility and with full consciousness that nobody knows what is best; but a good deal is known as to what is better than something else. The New York Community Trust is so organized as to be able to do its part in keeping close to what latest information considers best in philanthropic effort.

Very truly yours,

(Signed) ERNST C. MEYER.

From
GEORGE W. PERKINS

April 6, 1920.

Mr. Frank J. Parsons, Acting Director,
The New York Community Trust,
55 Cedar Street,
New York City.

My dear Mr. Parsons:

On my return from the South I find your letter of March 27th. Thank you very much for remembering me with the information contained in the circulars you enclosed. I should think the plan ought to be one that would appeal to many people who have money with which to make gifts and bequests, and it certainly looks as though the administration of such funds along the lines indicated ought to be very successful.

Sincerely yours,

(Signed) GEO. W. PERKINS.

From
MR. PAUL PLUNKETT

January 22, 1921.

Mr. Frank J. Parsons, Acting Director,
The New York Community Trust,
55 Cedar Street,
New York.

Dear Mr. Parsons:

Replying to your letter of the 17th inst. I would say that my experience in the settlement of estates has shown me the need for a common sense plan of administering charitable bequests.

Such a plan is outlined in The Community Trust.

Charities and benevolent organizations receive many gifts of money, securities and other property. In time many of these institutions cease to carry out the purposes for which these gifts were donated, due to various causes. But the institutions still receive income from these gifts, to be used for purposes which no longer exist.

The method of giving securities, money or property to one central trust fund, the income from which is distributed to all classes of charitable or welfare organizations, has the approval of thoughtful men and women.

The Community Trust plan might be summarized as one which gives money from a central trust fund to organizations which need it the most at a time when it will do the greatest good.

Sincerely yours,

(Signed) PAUL PLUNKETT.

From
MR. ALVIN W. KRECH
Chairman Trustees' Committee, The New York Community Trust,
President The Equitable Trust Company of New York

15th December, 1920.

MR. FRANK J. PARSONS, Acting Director,
The New York Community Trust,
55 Liberty Street, New York.

Dear Mr. Parsons:

The New York Community Trust, through its plan of separating the administration of an endowment from the application of the income, places at the service of the benevolently disposed the training and experience in business management of our financial institutions, for administrative purposes, while it provides an ideal method of dispensing the income, either as designated by the donor or otherwise, by creating a Committee of Distribution so appointed as to reflect the latest scientific thought on questions of social welfare and the proper objects of personal philanthropy.

The plan marks a step forward in methods of charitable giving and will tend to restrict the making of unwise trusts and, through the powers reserved to the distribution committee, will keep alive and in the service of the community trusts which would otherwise become abortive or obsolete through changing conditions and the passage of time.

Through its publicity features and through the statistical information which the Committee will doubtless require to assist it in making its distributions, the Community Trust should be an effective influence for the coordination of the various forms of charitable control so as to avoid overlapping and duplication of effort, while it should do much to promote efficiency, eliminate waste and correct the evils both of under- and of over-endowment in our existing charitable institutions.

Very truly yours,
(Signed) ALVIN W. KRECH.

"The Globe," May 11, 1920.

Permission The Associated Newspapers

THE COMMUNITY TRUST.

By Dr. Frank Crane.

One of the latest discoveries of civilization, one of the last products of social evolution, is the idea that the art of giving money away is even more difficult and liable to bungling than the art of making money.

The charitable instinct can easily do more harm than good. It can perpetuate useless institutions, promote beggary, and increase the army of parasites. Endowment funds have undoubtedly prolonged the life of ancient frauds which, left to their own vitality, would long ago have blessedly died. They are often the dead hand of the past strangling the present.

There has been organized in New York a Community Trust, modelled on the Cleveland Foundation, and similar to the trust plan now operative in Chicago, Boston and many other cities.

This is a Trust composed of the leading financial establishments of the city, with the object of creating a body which shall have the utmost public confidence, and to which the benevolent can leave their money with the assurance that it will be wisely administered.

By means of this men of small means with no direct heirs can make sure that their bequests will be intelligently used for the communal welfare.

Men of large means, after having cared for their own, can provide that the remainder of their estate shall be used for the public good.

The donor will not have to depend upon his own judgment, but can safely leave his money to this trust, knowing that it will be spent only after the most careful investigation.

The objects to which charitable funds are left often outlive their usefulness and become obsolete, sometimes absurd, and not seldom inimical to the public weal. By means of this Community Trust such donations can be transferred to avenues of usefulness without the delays and expense of litigation.

In England it was found that the situation became such that some forty thousand cases required a special Act of Parliament because they had reached a point where they had become useless and even detrimental.

The welfare of mankind is profoundly influenced by endowments, and it is a step in the right direction that the community see to it that bequeathed money shall be used to help and not to impede.

The "New York American", November 4, 1920

"On the whole, it is a sensible move, which should be adopted in all large cities, as it already has been in Cleveland, Chicago, Boston, Philadelphia, St. Louis, San Francisco and thirty other cities, for it brings order and intelligence into a field which in the past has often been chaotic."

Editorial from "The Brooklyn Eagle"

THE COMMUNITY TRUST.

New York, in adopting the idea of The Community Trust, is not the first to take on the new, or is it likely to be the last to lay the old aside. The experience of the Cleveland (Ohio) Foundation, which in five years has received living trusts and bequests reaching $100,000,000, has led to the adoption by thirty cities of the United States of the Community Trust, and it appears that our generation is witnessing an important step in the social evolution—in respect to gifts and bequests for public welfare.

The idea of the Community Trust is to permit future generations to use their discretion as to the purposes to which the incomes from benevolences may be used. The bequest for a specific purpose may outlive its usefulness with the ever-changing social order, and although resort may be had to court action for a change of object there is red tape, delay, expense and possible contest to reckon with. The Community Trust is nothing more or less than the machinery of administering gifts or bequests that carry with them discretionary power for their use in principal or income, and it must be obvious that this advantage, to say nothing of the advantage of consolidating many gifts in one fund, will greatly enhance the power for good in future years of money now gives to science or education or charity. It is a sort of Rockefeller Foundation conducted by the community and for the community. Money may be left to a trust company authorized to receive such funds, with the knowledge and assurance that the use of the income will be determined by the best judgment of our descendants.

Such assurance is vouchsafed, in the case of The New York Community Trust, by the character of the Distributing Committee, the source of which, though not the

personnel, is predetermined. The committee is to be named, one member each by the president of the New York Chamber of Commerce, the Mayor of New York, the president of the New York City Bar Association, the president of the New York Academy of Medicine, the president of the board of trustees of the Brooklyn Institute of Arts and Sciences, the Senior Circuit Judge of the United States Circuit Court of appeals and five members of the trustees committee.

The idea of The Community Trust in this country has been successfully developed by Judge Frederick H. Goff, president of the Cleveland Trust Company. In a recent address at St. Louis Judge Goff thus succintly brought home the advantage of the new over the old:

For centuries it was regarded as an act of piety to create a foundation to build an almshouse or to provide for the giving of alms to the poor of a parish. We know now that both tend to increase the evil sought to be corrected. Foundling hospitals used to be a favorite object of Foundations, but they were found to have a demoralizing influence upon the population by removing the first penalty of fallen virtue. There are undoubtedly many who would create foundations on as narrow lines as did Bryan Mullanphy of this city, who in 1851 left a substantial portion of his fortune to aid his compatriots in journeying across what was then the "Great American Desert."

Even now there are probably bequests that in future years will be rendered superfluous or unwise impracticable or impossible by the advance of civilization or science, or by governmental action for public welfare. Under The Community Trust a change of the particular objects of beneficence will be permitted without the tedium of application to the courts. It is wise foresight that takes account of the limitations upon foresight.

THE NEW YORK COMMUNITY TRUST

ALVIN W. KRECH,
Chairman
Trustees' Committee

Created for the Encouragement and Promotion of Gifts for Charitable, Benevolent or Educational Uses

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TRUSTEES

The Equitable Trust Company of New York
Columbia Trust Company
The New York Trust Company
United States Mortgage & Trust Company
Metropolitan Trust Company
Title Guarantee & Trust Company
Manufacturers Trust Company
Kings County Trust Company
Lawyers Title and Trust Company
Mercantile Trust Company
Fidelity-International Trust Company
American Trust Company
Hamilton Trust Company
The Commercial Trust Company of New York
Hudson Trust Company

Irving National Bank
The American Exchange National Bank
Harriman National Bank

The Bank of America

FRANK J. PARSONS,
Director,
55 CEDAR ST., NEW YORK

22230

END OF
TITLE